



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**VIA FAX (580-326-9187) & FIRST CLASS MAIL**

JUN 8 0 2004

Vester Songer, Esquire  
202 North Second Street  
PO Box 696  
Hugo, Oklahoma 74743

RE: MUR 4818  
James E. Lane

Dear Mr. Songer:

On June 2, 2004, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. §§ 441a(a)(1)(A) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter. Please be advised that the civil penalty in this agreement reflects unusual factors brought forth during the investigation.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. This Office is in receipt of your Five Thousand Dollar (\$5,000) payment, which represents the first installment towards the civil penalty. Please note that another Three Thousand Dollars (\$3,000) is due within thirty (30) days of the conciliation agreement's effective date; followed by the final payment of Three Thousand Dollars (\$3,000) within thirty (30) days thereafter, pursuant to the terms of the conciliation agreement. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret J. Toalson".

Margaret J. Toalson  
Attorney

Enclosure  
Conciliation Agreement

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

James E. Lane

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MUR 4818

2009 FEB 23 A 11:54

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission (the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that James E. Lane ("Respondent") knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) and 11 C.F.R. § 111.18(d).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

Actors

1. James Lane is the former majority leader of the Oklahoma state senate and is a friend of Walter Roberts and Gene Stipe. Lane was also an advisor to Roberts during his 1998 congressional campaign.
2. Walter L. Roberts was a candidate for Oklahoma's Third Congressional District in 1998. Roberts was also an artist and the owner of an auction company ("Auction Company") located in McAlester, Oklahoma.
3. Walt Roberts for Congress was the political committee within the meaning of 2 U.S.C. § 431(4) for Roberts.
4. The primary election for the Democratic nomination to represent Oklahoma's Third Congressional District, which Roberts ran in, occurred on August 25, 1998. Roberts received the most votes in the primary, but not enough to avoid a runoff election, held on September 15, 1998. The general election occurred on November 3, 1998.
5. Gene Stipe was the founder of the Stipe Law Firm (the "Firm") located in McAlester, Oklahoma, where he was a senior partner until 2003. Mr. Stipe was also an Oklahoma state senator representing a portion of Southeastern Oklahoma, and a political mentor and friend to Roberts. Mr. Stipe was involved in running Roberts' campaign, from making strategic decisions to hiring and firing of staff.

6. Charlene Spears was an employee at the Firm and Stipe's personal assistant. Spears was involved in the Roberts' campaign, making decisions on campaign purchases, instructing staff, and handling some of the campaign's banking.

Applicable Law

7. The Federal Election Campaign Act of 1971, as amended (the "Act"), makes it unlawful for any person to contribute more than \$1,000 per election to any candidate and his authorized political committee for Federal office. 2 U.S.C. § 441a(a)(1)(A). Nor can an individual make contributions aggregating more than \$25,000 in any calendar year. 2 U.S.C. § 441a(a)(3).
8. It is also unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. 2 U.S.C. § 441f. Moreover, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

Factual Background

9. In or about March 1998, Walt Roberts for Congress was in need of money so that it could obtain matching funds from the Democratic Congressional Campaign Committee. Mr. Stipe, Mr. Lane, and others were aware of the campaign's need for money.
10. In March 1998, Lane agreed to participate in a scheme with Stipe to make a contribution in Lane's name to Walt Roberts for Congress using money that would come from Stipe. The parties agreed that Lane would buy a livestock trailer that Roberts' owned, to hide this contribution.

11. On March 29, 1998, Mr. Lane wrote a check to Roberts' Auction Company in the amount of \$20,500, allegedly to purchase the livestock trailer, although Lane never took possession of the trailer.
12. Subsequently, Lane received a \$20,000 money order drawn from Stipe's account from Spears. On April 6, 1998, Lane deposited the \$20,000 money order into his account, to cover the bogus sale.
13. On April 9, 1998, Roberts, through his Auction Company, then wrote a check for \$20,500 to Walt Roberts for Congress, which the Committee then deposited into its own account.
14. Therefore, the \$20,500 contribution, which appeared in the Committee's disclosure reports as a contribution from Walt Roberts, was really a \$20,000 contribution in the name of another.
15. Initially, Lane denied that he knew that Walt Roberts for Congress needed money, and that the real purpose of the transaction was to provide money to Roberts' campaign.
16. In May through July, 1998, Spears also gave Lane four checks payable to Lane or "cash" from Stipe's bank account totaling approximately \$24,000. Spears instructed Lane to use this money to pay for campaign expenses of Walt Roberts for Congress. In May through July, 1998, Lane used these approximately \$24,000 worth of checks to pay for campaign expenses of Walt Roberts for Congress.
17. In September 1998, Spears gave Lane five additional checks payable to Lane or "cash" from Stipe's bank, this time totaling \$22,980. Lane received a

check \$3,500 dated September 1, 1998, a check for \$2,490 dated September 3, 1998, a check for \$2,490 dated September 3, 1998, a check for \$9,500 dated September 9, 1998, and a check for \$5,000 dated October 12, 1998. Spears again instructed Lane to use this money to pay for campaign expenses of Walt Roberts for Congress, which Lane did in September and October, 1998.

18. Walt Roberts for Congress never reported either Lane's \$24,000 or Lane's \$22,980 in contributions made to pay campaign expenses as coming from Stipe or Lane.

19. On March 11, 2003, Lane was charged with conspiracy to cause the submission of material false statements to the Commission, in violation of 18 U.S.C. § 371. On March 28, 2003, Lane pleaded guilty to conspiracy to cause the submission of false statements, a felony violation of 18 U.S.C. § 371. On July 29, 2003, Lane received a sentence of three years probation, two months home detention with an electronic monitoring bracelet, and a \$5,000 criminal fine for his criminal actions.

#### Violations

V. Respondent James Lane knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) by making excessive contributions to Walt Roberts for Congress in the names of others. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441a(a)(1)(A).

#### Civil Penalty

VI. The Commission has determined that the appropriate civil penalty in this matter is Forty-One Thousand dollars (\$41,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(B). Respondent James Lane agrees that this civil penalty is appropriate in this matter. Respondent James Lane

contends, however, that financial hardship prevents Lane from paying any civil penalty and has submitted extensive financial documentation in support of this claim. The Commission regards this documentation as a material representation. Due to the mitigating circumstance pertaining to Respondent's material representation of his financial condition, the Commission agrees to depart substantially from the civil penalty that Respondent and the Commission agree is justified in this matter. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Eleven Thousand Dollars (\$11,000.00), pursuant to 2 U.S.C. § 437g(a)(5)(B). Such penalty shall be paid in three (3) payments as follows:

1. An initial payment of Five Thousand Dollars (\$5,000) is due immediately upon signing the agreement.
2. Thereafter, no more than thirty days (30) from the date this Agreement becomes effective Respondent shall pay a second payment of Three-Thousand Dollars (\$3,000). Thirty days (30) thereafter, Respondent shall pay a third and final payment of Three-Thousand Dollars (\$3,000).
3. In the event that any payment is not received by the Commission on or before the date it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire unpaid balance of the civil penalty to become due upon ten (10) days written notice to Respondents. Failure by the Commission to accelerate the payments with regard to any overdue payment(s) shall not be construed as a waiver of any kind.

In the event that this agreement is violated a civil penalty of Forty-One Thousand dollars (\$41,000.00) shall be immediately due, pursuant to 2 U.S.C. § 437g(a)(5)(B).

Other Provisions

VII. Respondent agrees that the Commission's acceptance of this agreement is conditioned on the truthfulness and completeness of information provided to the Commission. Respondent agrees to cooperate with the Commission in any proceeding against any other person regarding the Respondent's involvement in the facts and circumstances related to this matter. Respondent further agrees that if he falsely stated or failed to disclose material information concerning his involvement in the facts and circumstances related to this matter, or if he falsely stated or failed to disclose material information concerning his financial condition, such false statement or omission shall constitute a violation by Respondent of this agreement.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.



IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton  
General Counsel

BY:

Rhonda J. Vosdingh  
Rhonda J. Vosdingh  
Associate General Counsel  
for Enforcement

6/29/04  
Date

FOR THE RESPONDENT:

James E. Lane  
James E. Lane

2-13-04  
Date